

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>Moore Township</u>	County <u>Sauvage</u>
Audit Date <u>3/31/05</u>	Opinion Date <u>May 18, 2005</u>	Date Accountant Report Submitted to State: <u>July 14, 2005</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).			✓

Certified Public Accountant (Firm Name) <u>Anderson, Tuckey, Bernhardt, + Doran, P.C.</u>			
Street Address <u>715 E. Frank Street</u>	City <u>Caro</u>	State <u>MI</u>	ZIP <u>48723</u>
Accountant Signature <u>David R. Anderson</u>			

**TOWNSHIP OF MOORE,
SANILAC COUNTY**
Snover, Michigan

Report on Financial Statements
(with additional information)
Year Ended March 31, 2005

TABLE OF CONTENTS

Page Number

INDEPENDENT AUDITORS' REPORT

GENERAL PURPOSE FINANCIAL STATEMENTS

<i>Combined Balance Sheet - All Fund Types and Account Groups</i>	<i>1 & 2</i>
<i>Combined Statement of Revenue, Expenditures and Change in Fund Balance – All Governmental Fund Types</i>	<i>3</i>
<i>Combined Statement of Revenue, Expenditures and Change in Fund Balance – Budget and Actual - General and Special Revenue Fund Types</i>	<i>4 & 5</i>
<i>Notes to Financial Statements</i>	<i>6 - 11</i>

SUPPLEMENTAL FINANCIAL INFORMATION

General Fund:

<i>Schedule of Revenue, Expenditures and Change in Fund Balance – Budget and Actual</i>	<i>12 - 21</i>
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Current Tax Collection Fund:

<i>Schedule of Changes in Assets and Liabilities</i>	<i>22</i>
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May 18, 2005

INDEPENDENT AUDITOR'S REPORT

Township of Moore
Sanilac County
Snover, Michigan 48472

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Moore's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Moore's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Moore as of March 31, 2005, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Moore Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Financial Statements

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2005

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE FUND	CAPITAL PROJECTS	CURRENT TAX COLLECTION FUND
<u>ASSETS</u>				
Cash	\$ 143,750	\$ 125,981	\$ 303	\$ 100
Certificate of Deposit	198,632			
Taxes Receivable				40,244
Fire run receivable	2,300			
Due from other funds	1,422	3,582		
Fixed Assets				
<u>TOTAL ASSETS</u>	<u>\$ 346,104</u>	<u>\$ 129,563</u>	<u>\$ 303</u>	<u>\$ 40,344</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accured payroll taxes	\$ 24			
Accounts payable		\$ 2,529		
Due to other funds				\$ 5,004
Due to other governmental units				35,340
<u>TOTAL LIABILITIES</u>	<u>24</u>	<u>2,529</u>	<u>-</u>	<u>40,344</u>
FUND EQUITY:				
Investment in general fixed assets				
Fund Balance - designated			\$ 303	
Fund Balance - undesignated	346,080	127,034		
<u>TOTAL FUND BALANCE</u>	<u>346,080</u>	<u>127,034</u>	<u>303</u>	<u>-</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 346,104</u>	<u>\$ 129,563</u>	<u>\$ 303</u>	<u>\$ 40,344</u>

The accompanying notes are an integral part of the financial statements.

ACCOUNT GROUPS	TOTALS (MEMORANDUM ONLY)
GENERAL FIXED ASSETS	
	\$ 270,134
	198,632
	40,244
	2,300
	5,004
\$ 758,671	758,671
\$ 758,671	\$ 1,274,985
	\$ 24
	2,529
	5,004
	35,340
-	42,897
\$ 758,671	758,671
	303
	473,114
758,671	1,232,088
\$ 758,671	\$ 1,274,985

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:				
Taxes	\$ 27,148	\$ 54,447		\$ 81,595
Licenses & permits	-			-
State revenue sharing-metro	3,814			3,814
State revenue sharing	94,865			94,865
Interest and dividends	4,702			4,702
Charges for services	10,847			10,847
Other revenue	1,172		\$ 59,320	60,492
TOTAL REVENUE	<u>142,548</u>	<u>54,447</u>	<u>59,320</u>	<u>256,315</u>
EXPENDITURES:				
Legislative	28,311			28,311
Executive	4,116			4,116
Board of Review	324			324
Clerk	8,214			8,214
Treasurer	10,957			10,957
Elections	1,502			1,502
Assessor fees	8,085			8,085
Recreation	3,703			3,703
Township hall & grounds	16,723			16,723
Planning & Zoning	3,143			3,143
Public safety	15,568			15,568
Public works	15,524	29,914	95,593	141,030
Payroll	3,411			3,411
Insurance and bonds	1,970	-		1,970
TOTAL EXPENDITURES	<u>121,551</u>	<u>29,914</u>	<u>95,593</u>	<u>247,058</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	20,997	24,533	(36,273)	9,257
OTHER FINANCING SOURCES (USES)				
Operating transfers in			70,500	70,500
Operating transfers out	(70,500)			(70,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(70,500)</u>	<u>-</u>	<u>70,500</u>	<u>-</u>
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>(49,503)</u>	<u>24,533</u>	<u>34,227</u>	<u>9,257</u>
FUND BALANCE - BEGINNING OF YEAR	395,583	102,501	(33,924)	464,160
FUND BALANCE - END OF YEAR	<u>\$346,080</u>	<u>\$127,034</u>	<u>\$ 303</u>	<u>\$ 473,417</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) - AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2005

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Taxes	\$ 60,000	\$ 27,148	\$ (32,852)
Licenses & permits	25	0	(25)
State revenue sharing- metro	3,814	3,814	-
State revenue sharing	66,186	94,865	28,679
Charges for services	9,000	10,847	1,847
Interest and dividends	10,000	4,702	(5,298)
Other revenue	6,000	1,172	(4,828)
TOTAL REVENUE	155,025	142,548	(12,477)
EXPENDITURES:			
Legislative	60,555	28,311	32,244
Executive	4,600	4,116	484
Clerk	8,725	8,214	511
Board of Review	600	324	276
Treasurer	10,225	10,957	(732)
Election	1,550	1,502	48
Payroll taxes	5,000	3,411	1,589
Insurance and Bonds	15,000	1,970	13,030
Assessor fees	14,000	8,085	5,915
Township hall & grounds	16,050	16,723	(673)
Planning & Zoning	10,400	3,143	7,257
Public safety	23,875	15,568	8,308
Public works	131,100	15,524	115,576
Recreation	13,600	3,703	9,897
Other expenditures			-
TOTAL EXPENDITURES	315,280	121,551	193,729
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(160,255)	20,997	181,252
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out	(78,000)	(70,500)	7,500
TOTAL OTHER FINANCING SOURCES (USES)	(78,000)	(70,500)	7,500
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	(238,255)	(49,503)	188,752
FUND BALANCE - BEGINNING OF YEAR	395,583	395,583	-
FUND BALANCE - END OF YEAR	\$ 157,328	\$ 346,080	\$ 188,752

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS			TOTALS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 30,000	\$ 54,447	\$ 24,447	\$ 90,000	\$ 81,595	\$ (8,405)
		-	25	-	(25)
		-	3,814	3,814	-
		-	66,186	94,865	28,679
		-	9,000	10,847	1,847
			10,000	4,702	(5,298)
			6,000	1,172	(4,828)
30,000	54,447	24,447	185,025	196,995	11,970
		-	60,555	28,311	32,244
		-	4,600	4,116	484
		-	8,725	8,214	511
		-	600	324	276
		-	10,225	10,957	(732)
		-	1,550	1,502	48
		-	5,000	3,411	1,589
		-	15,000	1,970	13,030
		-	14,000	8,085	5,915
		-	16,050	16,723	(673)
		-	10,400	3,143	7,257
		-	23,875	15,568	8,308
35,000	29,914	5,086	166,100	45,437	120,663
		-	13,600	3,703	9,897
		-	-	-	-
35,000	29,914	5,086	350,280	151,465	198,815
(5,000)	24,533	29,533	(165,255)	45,530	210,785
				-	
			(78,000)	(70,500)	7,500
-	-	-	(78,000)	(70,500)	7,500
(5,000)	24,533	29,533	(243,255)	(24,970)	218,285
102,501	102,501	-	498,084	498,084	-
\$ 97,501	\$ 127,034	\$ 29,533	\$ 254,829	\$ 473,114	\$ 218,285

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township of Moore covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees and provides services to its more than residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the Township of Moore have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Moore contain all the funds and account groups controlled by the Township Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Account groups are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING (Continued):

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

RECEIVABLES:

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated.

LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

ESTIMATES:

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	BALANCE MARCH 31, 2004	ADDITIONS	REDUCTIONS	BALANCE MARCH 31, 2005
GENERAL GOVERNMENT	<u>\$752,733</u>	<u>\$5,938</u>	<u>NONE</u>	<u>\$758,671</u>

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$468,766 and the bank balance was \$471,239, \$289,073 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-part's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2005, the Township had no Category 1, 2 or 3 investments.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2005 are composed of the following:

	CASH AND CASH EQUIVALENTS	INVESTMENTS	RESTRICTED ASSETS
General Fund:			
Deposits	\$342,382		
Other Funds:			
Deposits	<u>125,981</u>		<u>\$403</u>
TOTAL	<u>\$ 468,363</u>	<u>NONE</u>	<u>\$403</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 4 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 5 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2005 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$1,422	
Special Revenue Fund	3,582	
Trust and agency: Current Tax Collection Fund	—	<u>\$5,004</u>
TOTAL	<u>\$5,004</u>	<u>\$5,004</u>

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied .88860 mills for operations and 2.0 mills for roads on an Taxable Value of \$25,560,921. The Township did not collect the SET tax during the summer of 2004. These taxes were collected by the State of Michigan.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 7 – MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT:

Township officials have secured funding from Michigan Community Development Block Grant (CDBG) project MSC 202052 for the construction of a municipal lagoon sewer system. The grant is for \$1,718,350 with a project completion date of June 30, 2007. The following is a summary of the revenue and expenditures in the Townships capital projects fund from the inception of the fund through the current fiscal year.

	<u>Revenue & other financing sources</u>	<u>Expenditures & other financing uses</u>
2005	\$129,820	\$95,396
2004	32,480	68,279
2003	11,990	11,990
2002	<u>-</u>	<u>3,900</u>
Total	<u>\$174,290</u>	<u>\$179,565</u>

NOTE 8 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

NOTE 9 – GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

NOTE 10 – TRANSFERS:

Transfer to CPF	\$70,500
Transfer from GF	<u>(70,500)</u>
Net	<u>0</u>

Supplemental Financial Information

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Property Taxes	\$ 60,000	\$ 27,148	\$ (32,852)
Licenses & permits	25	-	(25)
Intergovernmental			
State revenue sharing- metro	3,814	3,814	-
State revenue sharing	66,186	94,865	28,679
Interest and Dividends	10,000	4,702	(5,298)
Charges For Services:			
Land use Permits	1,000	747	(253)
Fire	7,000	9,900	2,900
Misc	1,000	200	(800)
Total Chargers for Services	9,000	10,847	1,847
Other Revenue:			
Park Donations	-	910	910
Cemetery Donations	-	250	250
Other Revenues-other	6,000	12	(5,988)
Total Other Revenue	6,000	1,172	(4,828)
Sewage Disposal System			
TOTAL REVENUE	<u>\$ 155,025</u>	<u>\$ 142,548</u>	<u>\$ (12,477)</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
GENERAL GOVERNMENT:			
TOWNSHIP BOARD:	\$ -	\$ -	\$ -
Trustees	-	-	-
Salary	5,300	6,129	(829)
Administration			
Legal	5,000	375	4,625
Audit and Accounting	1,500	2,614	(1,114)
Dues	755	325	430
insurance		11,302	(11,302)
Printing and Publishing	2,000	1,022	978
Seminars and Meetings	1,500	1,258	242
Other	1,500	16	1,484
EDC	2,000	1,893	107
Capital Outlay	41,000	3,378	37,622
TOTAL TOWNSHIP BOARD	60,555	28,311	32,244
	-	-	-
SUPERVISOR:			
Salary	4,100	4,100	-
Supplies and travel	500	16	484
TOTAL SUPERVISOR	4,600	4,116	484
	-	-	-
ELECTIONS:			
Wages and Mileage	1,250	1,009	241
Supplies	300	493	(193)
TOTAL ELECTIONS	1,550	1,502	48
ASSESSOR / EQUALIZATION:			
Salary and Wages	7,000	6,000	1,000
Processing- parcels	4,000		4,000
Equalization services	1,000		1,000
Supplies	1,000	442	558
Other	1,000	1,644	(644)
TOTAL ASSESSOR / EQUALIZATION	14,000	8,085	5,915
CLERK AND DEPUTY CLERK:			
Salary	8,025	8,025	-
Supplies	500	160	340
Other	200	29	171
TOTAL CLERK AND DEPUTY CLERK	8,725	8,214	511
TREASURER AND DEPUTY TREASURER:			
Salary	8,025	8,025	-
Supplies	1,000	331	669
Equalization services	1,000		1,000
Other	200	2,601	(2,401)
TOTAL TREASURER AND DEPUTY TREASURER	10,225	10,957	(732)

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENSES (continued)			
TOWNSHIP HALL & GROUNDS			
Telephone	\$ 1,000	\$ 1,224	\$ (224)
Electric	1,200	1,153	47
Lawn Mowing	800	7,030	(6,230)
Snow Removal	550	585	(35)
Propane	2,500	2,303	197
Hall Cleaning and Supplies	1,000	1,287	(287)
Dumpster		78	(78)
Hall Maintenance	3,000	195	2,805
Excavating	3,000	1,600	1,400
Capital Expenditures	3,000	1,269	1,731
TOTAL TOWNSHIP HALL & GROUNDS	<u>16,050</u>	<u>16,723</u>	<u>(673)</u>
INSURANCE AND BONDS:			
GLC policy	12,000		12,000
Workman's Comp.	3,000	1,970	1,030
TOTAL INSURANCE AND BONDS	<u>15,000</u>	<u>1,970</u>	<u>13,030</u>
SOCIAL SECURITY/TOWNSHIP:			
Payroll Taxes	<u>5,000</u>	<u>3,411</u>	<u>1,589</u>
BOARD OF REVIEW:			
Salary and Mileage	<u>600</u>	<u>324</u>	<u>276</u>
ZONING			
Administrator Salary	2,900	2,800	100
Board Salary and Mileage	3,300	148	3,153
Supplies & expenses	4,200	8	4,192
Milage		188	(188)
TOTAL ZONING	<u>10,400</u>	<u>3,143</u>	<u>7,257</u>
TOTAL GENERAL GOVERNMENT	<u>146,705</u>	<u>86,757</u>	<u>86,757</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
TOTAL GENERAL GOVERNMENT: (Continued)			
PUBLIC SAFETY- FIRE PROTECTION:			
Wages	\$ 9,000	\$ 6,285	\$ 2,715
Training	4,500	2,318	2,183
Capital Expenditures	5,000	0	5,000
Fuel	1,500	114	1,386
Radio and equipment repair	500	870	(370)
SCBA equipment	1,000	836	164
Truck license		773	(773)
Truck service and repair	1,500	1,097	403
Dues	375	50	325
Mileage		42	(42)
Uniforms	500	3,185	(2,685)
TOTAL PUBLIC SAFETY	<u>23,875</u>	<u>15,568</u>	<u>8,308</u>
PUBLIC WORKS - DRAINS:			
Drains at large	<u>1,100</u>	<u>9,253</u>	<u>(8,153)</u>
ROAD MAINTENANCE AND REPAIR:			
Road brine	5,186	1,333	3,853
Metro act expenses	3,814	3,814	
Brush spraying	1,000	186	814
Planning	120,000	938	119,063
TOTAL ROAD MAINTENANCE AND REPAIR	<u>130,000</u>	<u>6,270</u>	<u>123,730</u>
TOTAL PUBLIC WORKS	<u>131,100</u>	<u>15,524</u>	<u>115,576</u>
RECREATION - MEMORIAL PARK:			
Electric	300	238	62
Lawn mowing	7,100		7,100
Repairs	1,700	3,056	(1,356)
Dumpster	650	80	570
Toilet rental	550	300	250
Misc	3,300	30	3,270
TOTAL RECREATION	<u>13,600</u>	<u>3,703</u>	<u>9,897</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
TOTAL EXPENDITURES	<u>\$ 315,280</u>	<u>\$ 121,551</u>	<u>\$ 193,729</u>
OTHER FINANCING USES:			-
Operating transfers out	<u>-</u>	<u>70,500</u>	<u>(70,500)</u>
			-
TOTAL EXPENDITURES & OTHER FINANCING USES	<u>\$ 315,280</u>	<u>\$ 192,051</u>	<u>\$ 123,229</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED BALANCE SHEET -
SPECIAL REVENUE FUNDS
March 31, 2005

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and investments	\$ 123,095	\$ 1,976	\$ 910	\$ 125,981
Taxes Receivable	<u>2,976</u>	<u>606</u>	<u>0</u>	<u>3,582</u>
<i>TOTAL ASSETS</i>	<u>\$ 126,071</u>	<u>\$ 2,582</u>	<u>\$ 910</u>	<u>\$ 129,563</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	<u>\$ 2,529</u>	<u></u>	<u></u>	<u>\$ 2,529</u>
TOTAL LIABILITIES	<u>2,529</u>	<u>-</u>	<u>-</u>	<u>2,529</u>
FUND EQUITY:				
Fund Balance - undesignated	<u>123,542</u>	<u>\$ 2,582</u>	<u>\$ 910</u>	<u>127,034</u>
TOTAL FUND BALANCE	<u>123,542</u>	<u>2,582</u>	<u>910</u>	<u>127,034</u>
<i>TOTAL LIABILITIES & FUND EQUITY</i>	<u>\$ 126,071</u>	<u>\$ 2,582</u>	<u>\$ 910</u>	<u>\$ 129,563</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2005

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:				
Taxes	\$ 51,074	\$ 3,373	-	\$ 54,447
Assessments			-	-
TOTAL REVENUE	<u>51,074</u>	<u>3,373</u>	<u>-</u>	<u>54,447</u>
EXPENDITURES:				
Gravel patching	24,562			24,562
Road improvements	458			458
Road maintenace	894			894
Street lighting		3,410		3,410
Zoning			\$ 590	590
TOTAL EXPENDITURES	<u>25,914</u>	<u>3,410</u>	<u>590</u>	<u>29,914</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>25,160</u>	<u>(37)</u>	<u>(590)</u>	<u>24,533</u>
FUND BALANCE - BEGINNING OF YEAR	<u>98,382</u>	<u>2,619</u>	<u>1,500</u>	<u>102,501</u>
FUND BALANCE - END OF YEAR	<u>\$ 123,542</u>	<u>\$ 2,582</u>	<u>\$ 910</u>	<u>\$ 127,034</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
ROAD ASSESSMENT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	<u>\$ 30,000</u>	<u>\$ 51,074</u>	<u>\$ 21,074</u>
TOTAL REVENUES	<u> 30,000</u>	<u> 51,074</u>	<u> 21,074</u>
EXPENDITURES:			
Gravel patching	20,000	24,562	(4,562)
Ditch maintenace	-	458	(458)
Road maintenace	<u>15,000</u>	<u>894</u>	<u>14,106</u>
TOTAL EXPENDITURES	<u> 35,000</u>	<u> 25,914</u>	<u> 9,086</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u> (5,000)</u>	<u> 25,160</u>	<u> 30,160</u>
FUND BALANCE BEGINNING OF YEAR	<u> 98,382</u>	<u> 98,382</u>	<u> -</u>
FUND BALANCE END OF YEAR	<u><u> \$ 93,382</u></u>	<u><u> \$ 123,542</u></u>	<u><u> \$ 30,160</u></u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
STREET LIGHTS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	<u>\$ 3,500</u>	<u>\$ 3,373</u>	<u>\$ (127)</u>
TOTAL REVENUES	<u> 3,500</u>	<u> 3,373</u>	<u> (127)</u>
EXPENDITURES:			
Street lighting	<u> 3,000</u>	<u> 3,410</u>	<u> 410</u>
TOTAL EXPENDITURES	<u> 3,000</u>	<u> 3,410</u>	<u> 410</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u> 500</u>	<u> (37)</u>	<u> (537)</u>
FUND BALANCE BEGINNING OF YEAR	<u> 2,619</u>	<u> 2,619</u>	<u> -</u>
FUND BALANCE END OF YEAR	<u><u>\$ 3,119</u></u>	<u><u>\$ 2,582</u></u>	<u><u>\$ (537)</u></u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
ZONING
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Assessments	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Zoning	<u>\$ 1,000</u>	<u>\$ 590</u>	<u>\$ (410)</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>590</u>	<u>(410)</u>
EXCESS OF REVUNUE OVER EXPENDITURS UNDER(EXPENDITURES)	<u>(1,000)</u>	<u>(590)</u>	<u>410</u>
FUND BALANCE BEGINNING OF YEAR	<u>1,500</u>	<u>1,500</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u><u>\$ 500</u></u>	<u><u>\$ 910</u></u>	<u><u>\$ 410</u></u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2005

	<u>BALANCE MARCH 31, 2004</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE MARCH 31, 2005</u>
<u>ASSETS</u>				
Cash	\$ 100	\$ -	\$ -	\$ 100
Taxes Receivable		616,824	576,580	40,244
TOTAL ASSETS	<u>\$ 100</u>	<u>\$ 616,824</u>	<u>\$ 576,580</u>	<u>\$ 40,344</u>
<u>LIABILITIES</u>				
Due to Sandusky District Library	\$ -	\$ 33,607	\$ 35,687	\$ 2,080
Due to county	-	220,129	234,228	14,099
Due to schools		250,612	269,773	19,161
Due to other funds	100	72,232	77,136	5,004
TOTAL LIABILITIES	<u>\$ 100</u>	<u>\$ 576,580</u>	<u>\$ 616,824</u>	<u>\$ 40,344</u>

See the accompanying notes.